



Fiscal/Program Requirements

Supplementary Instructions Mental Health Programs



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Part I: Overview

The DSHS/BHSIA/Mental Health Finance publishes this supplement to aid local governments in accounting for programs in accordance with the Fiscal/Program Requirements.

The purpose of this supplement is to define the revenue, expenditure, fund balance, and elements and sub-elements specific to the Regional Support Network (RSN) integrated contract and Federal Mental Health Block Grant expenditures.

Basic Expenditure Account 564.00 is defined as Mental Health Services. The Mental Health Program in DSHS determines element/sub-element categories corresponding to the expenditure accounts for 564.00. Local government contractors must use the element/sub-element categories contained in this supplement when accounting for expenditures.

The fiscal policies set forth in this supplement are conditions for the receipt of funds and are mandatory. If Fiscal/Program Requirements and DSHS policy do not coincide, the more restrictive policy prevails.

Fiscal/Program Requirements is intended for use by local governments, not by private organizations. Subcontractors of RSNs may be required to report data to RSNs using the Fiscal/Program Requirements classifications.

Please refer to the Fiscal/Program Requirements for questions regarding account code structure, resource account codes, expenditure and use of accounts, definitions and classification of expenditure objects.

Part II: Chart of Accounts

A. Revenue Chart of Accounts

The Fiscal/Program Requirements includes instructions on the revenue codes to use for each type of revenue received.

B. Expenditure Chart of Accounts

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564.59	Mental Health Block Grant (MHBG)

C. Reserves and Fund Balances

The BARS manual is distributed by the State Auditor's Office. The manual includes instructions on the reserves and fund balances codes to be used by local governments. Please refer to the BARS manual for reserves and fund balances chart of accounts information.

Part III: Account Definitions

The Fiscal/Program Requirements are intended to assist the RSNs in reporting to the Mental Health Program the revenues that support the set of expenditures detailed on pages 7 through 12. The revenues that should be included are only those received directly from the Mental Health Program, funding the local county has provided, and other revenue sources received by the RSN that directly support mental health activities. **Note: Funds spent by providers outside of these revenue sources should not be reported to the Mental Health Program unless it is used as local match to draw down Federal funds (Title XIX).**

A. Revenue Accounts

Revenue information presented in this supplement refers to the type of revenues to be reported by RSNs to the Mental Health Program. RSNs should report all revenue received from the Mental Health Program, using the categories listed below and by fund sources. Revenues received directly by providers should be reported to the Mental Health Program if (a) it is to be used as local match to draw down the Federal funds or (b) corresponding expenditures are reported. Third Party revenues received and used to support public (RSN) consumers need to be reported on the Third Party form.

Revenue to be reported to the Mental Health Program includes:

Medicaid Payment – Funds received from the Prepaid Inpatient Health Plan (PIHP) contract. Payments are funded by Medicaid (PIHP Capitation Federal and State Title XIX Funds).

Additional Federal Medicaid – Additional federal funds received pursuant to the PHIP contract. The required match for these funds shall be provided by the Contractor from local funds eligible for federal match. Local funds do not include donations.

Non Medicaid Payment – Funds received from the State Mental Health Contract (excluding ECS, PACT, PALS, and Jail Services payments).

Hospital Reimbursement – Funds received for underutilizing of inpatient beds at the state hospitals.

E&T – Funds received from local source for operation of Evaluation and Treatment Center. Do not report funds received from third-party source (e.g. other RSNs, insurance companies) as Medicaid or Non-Medicaid Revenue.

Federal Mental Health Block Grant – Federal funds received under the Mental Health Block Grant. These funds are provided through the Mental Health Program as an indirect grant from the federal government.

Expanded Community Services – ECS funding is to assist in the provision of community support services for long term state hospital patients. The funding

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is provided for the operation of community residential and support services for persons whose treatment needs constitute substantial barriers to community placement and who no longer require active psychiatric treatment at an inpatient hospital level of care, no longer met the criteria for inpatient involuntary commitment, and who are clinically ready for discharge from a state psychiatric hospital.

Jail Services Funding – Funding to provide mental health services for mentally ill offenders while confined in a county or city jail. These services are intended to facilitate access to programs that offer mental health service upon mentally ill offenders' release from confinement. This includes efforts to expedite applications for new or re-instated Medicaid benefits.

Program for Active Community Treatment (PACT) – Funds received per the budget proviso for development and initial operation of high-intensity programs for active community treatment PACT teams.

Program for Adaptive Living Skills (PALS) Alternatives – Funds received to develop alternative community services to reduce placement in the PALS program.

Maintenance of Effort - a contractual requirement that the RSN shall not use state or federal funds to replace local funds from any source that were being used to finance mental health services prior to January 1, 1990. Similarly, the RSN is not allowed to replace local funds used to administer the Involuntary Treatment Program prior to January 1, 1974. (RCW 71.24.160). The amount to be reported is only the local funds necessary to fulfill this requirement. Other local funds are to be reported in "Local Funds Eligible for Match." **Note: Maintenance of Effort can also be used as local match.**

Other Local Fund – local funds other than those used to satisfy Maintenance of Effort requirement spent on public mental health system.

Intergovernmental – Revenue received pursuant to a contract or agreement with another governmental entity, where the revenue is derived from the RSN performing Mental Health services. This account does not include funding from Mental Health Program contracts.

Interest – Revenue received from interest earned on Mental Health funds retained in the County or RSN and invested. Interest can be recorded in a locally designated sub element.

Direct Federal Grants – Funds received directly from federal sources supporting Mental Health services.

Other Federal Grants (From MH) – Federal funds received from the State other than block grant. This includes funds received for, PATH, and other grants targeted to support mental health services.

Other State Grants – Funds received from the State for other contracted Mental Health Services. This includes funds received for operation of the ORCSP program and/or other state grants targeted to support mental health services.

Other Revenue – There may be a case where revenue is received from sources not listed above. RSNs must include a description of the nature and source of this revenue in reports submitted to the Mental Health Program.

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B. Expenditure Accounts

Reportable expenditures should only include costs associated with the revenues reported above.

564.10 **Administrative Costs** – Costs for the general operation of the public mental health system. These activities cannot be identified with a specific direct or direct services support function.

564.11 RSN Administration – Costs of operating the RSN. Activities include planning, coordination, contracting, fiscal and contract monitoring, accounting, general clerical support, legal, facility and similar operating costs. Also includes allowable costs of services provided by those activities normally identified with central county government that have been allocated to the RSN using an established methodology consistent with the approved cost allocation plan.

564.13 Other Administrative Costs - Costs that do not fit in the category above. Explanations must be given in reports submitted to Mental Health Program. The RSNs cost of acquisition for capital assets should be reported as a one-time, other cost at the time of payment.

564.20

Direct Service Costs (Exclude Outpatient Service Costs) – Costs paid by the RSNs for services and related activities provided to or for RSN service recipients that address mental health or psychiatric needs, and where appropriate, activities that assist the service recipient with social supports, friends and recreation, daily living, personal safety, cultural needs, housing, finances, education, employment, legal assistance or referral, physical health, case management, or alcohol and/or other drug problems.

564.22

Residential – Costs for placement at residential facilities and any non-facility residential support costs consistent with WAC 388-865-0235. It should **not** include the treatment costs reported in the Outpatient Services. Examples of costs that should be reported here are room & board costs paid by RSNs, treatment costs at Institute of Mental Disease (IMD) facilities. These costs emphasize least restrictive, stable, appropriate care consistent with WAC 388-865-0235.

564.24

Inpatient Treatment – Costs for a direct treatment modality in which the client is under the auspices of a hospital or E&T facility (excluding the freestanding E&T), 24 hours a day for evaluation, diagnostic, and therapeutic purposes. Inpatient services are provided in a psychiatric hospital or a psychiatric ward of a general hospital or E&T facility. The treatment must include overnight care, but the client may spend time outside the hospital as part of the therapeutic process. Do not report costs related to receipt of third-party revenue (e.g. other RSNs, insurance companies) as Medicaid or Non-Medicaid costs.

564.25

ITA Commitment Services – Costs related to involuntary commitments (WAC 388-865-0452 through 0454, 71.05 RCW and 71.35 RCW) including County Designated Mental Health Professional (CDMHP) costs.

564.26

ITA Judicial – Judicial costs related to involuntary commitments including required expert witness costs. (WAC 388-865-245)

- 564.27 Other Direct Costs – Costs that do not fit any other Direct Costs category above. Explanations must be given in reports submitted to Mental Health Program.
- 564.28 Medicaid Personal Care – Funds provided to the Aging and Disability Services Administration for general fund cost of Medicaid Personal Care used by the RSNs for consumers who are disabled (as per the Comprehensive Assessment) due solely to psychiatric disability when the payment was authorized by the RSNs.
- 564.29 State Hospital Reimbursement – Costs associated with utilization of state hospital's beds over the allotted beds (over censes).
- 564.30 Direct Services Support Costs** –RSN level only costs incurred in the process of providing services and activities for clients. Direct services support costs do not include costs for services directly provided to clients.
- 564.31 Utilization Management and Quality Assurance – Costs for activities designed to ensure that adequate quality care is provided to eligible clients. Activities include development of placement criteria, conducting utilization management activities, an independent quality review team function, and other quality assurance functions.
- 564.32 Information Services – Costs incurred for the maintenance of a patient tracking system for service recipients, per RCW 71.24.035, and all other information services development and reporting functions. Includes Information Services (Technical) staff, computer equipment, data lines, and other costs associated with an information services system.
- 564.33 Public Education – Costs for consultation, education and public information activities related to primary populations or agency services. Examples include individual case planning and consultation for clients of other human service organizations; enhancing understanding of chronic mental illness and serious mental disturbances through the media, providing workshops and other training to develop skills of ancillary providers in dealing with mental disorders and populations, and disseminating information and material about mental health services.

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- 564.34 Other Direct Services Support Costs – Costs that do not fit any other Direct Services Support Costs category above. Explanations must be given in reports submitted to Mental Health Program.
- 564.35 Crisis Telephone (Dedicated Hotline) - Costs associated with telephone services provided by trained personnel supervised by mental health professionals which includes triage, referral, and telephone based support to individuals experiencing a mental health crisis.
- 564.36 Transportation – Costs associated with providing transportation to clients to and from covered medical services.
- 564.37 Interpreter Services – Costs associated with providing interpreter services to a client who is deaf, deaf-blind, hard of hearing or limited English proficient during a necessary mental health service performed by a RSN provider.
- 564.38 Ombudsman – Costs to provide an independent ombuds service consistent with WAC 388-865-0250.
- 564.40 Outpatient Services Costs** – Costs for services to eligible clients provided on an outpatient basis consistent with WAC 388-865-0230, WAC 388-865-0400 through 0445, and WAC 388-865-0456 through 0462. Activities include assessment, diagnosis, treatment, prescreening and other services.
- 564.41 Crisis Services – Costs associated with providing evaluation and treatment of mental health crisis to individuals experiencing a crisis. A mental health crisis is defined as a turning point in the course of anything decisive or critical, a time, a stage, or an event or a time of great danger or trouble, whose outcome decides whether possible bad consequences will follow. Crisis services shall be available on a 24-hour basis. Crisis Services are intended to stabilize the person in crisis, prevent further deterioration and provide immediate treatment and intervention in a location best suited to meet the needs of the individual and in the least restrictive environment available. Crisis services may be provided prior to completion of an intake evaluation. Services are provided by or under the supervision of a mental health professional.

- 564.42 Freestanding Evaluation and Treatment Services – Costs associate with treatments provided in freestanding inpatient residential (non-hospital) facilities licensed by the Department of Health and certified by the Mental Health Program to provide medically necessary evaluation and treatment to the individual who would otherwise meet hospital admission criteria. At a minimum, services include evaluation, stabilization and treatment provided by or under the direction of licensed psychiatrists, nurses and other mental health professionals, and discharge planning involving the individual, family, significant others so as to ensure continuity of mental health care. Nursing care includes but is not limited to; performing routine blood draws, monitoring vital signs, providing injections, administering medications, observing behaviors and presentation of symptoms of mental illness. Treatment modalities may include individual and family therapy, milieu therapy, psycho-educational groups and pharmacology. The individual is discharged as soon as a less-restrictive plan for treatment can be safely implemented. This service is provided for individuals who pose an actual or imminent danger to self, others, or property due to a mental illness, or who have experienced a marked decline in their ability to care for self due to the onset or exacerbation of a psychiatric disorder. The severity of symptoms, intensity of treatment needs or lack of necessary supports for the individual does not allow them to be managed at a lesser level of care. **This service does not include cost for room and board.** Do not report costs related to receipt of third-party revenue (e.g., other RSNs, insurance companies) as Medicaid or Non-Medicaid costs.
- 564.43 Mental Health Services Provided in Residential Settings – Costs of a specialized form of rehabilitation service (non-hospital/non IMD) that offers a sub-acute psychiatric management environment. Individuals receiving this service present with severe impairment in psychosocial functioning or has apparent mental illness symptoms with an unclear etiology due to their mental illness and treatment cannot be safely provided in a less restrictive environment and do not meet hospital admission criteria. Individuals in this service require a different level of service than High Intensity Treatment. The Mental Health Care Provider is sited at the residential location (e.g., boarding homes, supported housing, cluster housing, single residency occupancy (SRO) apartments) for extended hours to provide direct mental health care to an individual. Therapeutic interventions both in individual and group format may include medication management and monitoring,

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stabilization, and cognitive and behavioral interventions designed with the intent to stabilize the individual and return him/her to more independent and less restrictive treatment. The treatment is not for the purpose of providing custodial care or respite for the family, nor is it for the sole purpose of increasing social activity or used as a substitute for other community-based resources. This service is billable on a daily rate. In order to bill the daily rate for associated costs for these services, a minimum of 8 hours of service must be provided. **The costs reported should not include the costs for room and board, custodial care, and medical services.**

- 564.44 Other State Plan Outpatient Treatment - Costs associated with providing the following treatment modalities: Brief Intervention Treatment, Day Support, Family Treatment, Group Treatment, High Intensity Treatment, Individual Treatment, Intake Evaluation, Medication Management, Medication Monitoring, Peer Support, Psychological Assessment, Rehabilitation Case Management, Special Population Evaluation, Stabilization Services, and Therapeutic Psychoeducation. For definitions of these treatment modalities, please consult the approved state plan.
- 564.45 B(3) Services – Costs associated with providing, Supported Employment, Respite Care, and Clubhouses.
- 564.46 Other Outpatient Treatment - Costs associated with Outpatient services that do not fit into the above categories.
- 564.50 Other Direct Service Costs** - Legislative Mandated Mental Health Program/Pilots.
- 564.51 Jail Services – Costs to provide mental health services for mentally ill offenders while confined in a county or city jail. These services are intended to facilitate access to programs that offer mental health service upon mentally ill offenders' release from confinement. This includes efforts to expedite applications for new or re-instated Medicaid benefits.
- 564.52 Expanded Community Services – Costs to provide community residential and support services for persons whose treatment needs constitute substantial barriers to community placement and who no longer require active psychiatric treatment at an inpatient hospital level of care, no longer met the criteria for inpatient involuntary commitment, and who are clinically ready for discharge from a state psychiatric hospital.

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- 564.53 Program for Active Community Treatment (PACT) – Costs related to development and initial operation of high-intensity programs for active community treatment (PACT) teams as described in the budget proviso.
- 564.54 Other Direct Service Costs Pilot/Programs – Costs that do not fit any other category above. Explanations must be given in reports submitted to Mental Health Program
- 564.55 Program for Adoptive Living Skills (PALS) Alternatives – Costs related to development of community services as alternatives to placing consumers in PALS.
- 564.56 Crisis Integrated System Pilot Project – Costs associated with providing judicial service and transportation for people detained or committed to the Crisis Integrated Pilot sites under RCW 70.96B.
- 564.57 Offender Re-Entry Community Safety Program (ORCSP) – Costs associated with providing services under the ORCSP contract.
- 564.58 Project for Assistance in Transition from Homeless (PATH) – Costs associated with providing services under the PATH contract.
- 564.59 Mental Health Block Grant (MHBG) – Costs associated with providing services under the Mental Health Block Grant.
- For reporting and billing purposes, Mental Health Block Grant funds must be tracked by tasks.
- Prevention and Wellness– Costs associated with activities that enhance the ability of communities to effectively provide mental health prevention and wellness services.

- *.1 Screening, Brief Intervention and Referral to Treatment (SBIRT)
- *.2 Brief Motivational Interviewing
- *.3 Parent Training
- *.4 Facilitated Referral
- *.5 Relapse Prevention/Wellness Recovery Support
- *.6 Warm Line

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Engagement Services – Costs associated with providing evaluations, assessments, and outreach to assist persons with mental health issues, and their families to engage in mental health services.

- *.1 Assessment
- *.2 Specialized Evaluations (Psychological and Neurological)
- *.3 Service Planning (including crisis planning)
- *.4 Consumer/Family Education
- *.5 Outreach

Outpatient Services – Costs associated with providing outpatient therapy services for persons with mental health issues.

- *.1 Individual Evidenced Based Therapies
- *.2 Group Therapy
- *.3 Family Therapy
- *.4 Multi-Family Counseling Therapy
- *.5 Consultation to Caregivers

Medication Services – Costs associated with providing medication and related laboratory services for persons with mental illness.

- *.1 Medication Management
- *.2 Pharmacotherapy (including MAT, Medication-Assisted Treatment)
- *.3 Laboratory Services

Community Support Services - Costs associated with the provision of community based programs that enhance independent functioning for person with mental health issues.

- *.1 Parent/Caregiver Support
- *.2 Skill Building (social, daily living, cognitive)
- *.3 Case Management
- *.4 Continuing Care
- *.5 Behavior Management
- *.6 Supported Employment
- *.7 Permanent Supported Housing
- *.8 Recovery Housing
- *.9 Therapeutic Mentoring
- *.10 Traditional Healing Services.

Recovery Support Services – Costs associated with the

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development and provision of support services that focus on improving the ability of persons with mental health issues to live a self-directed life, and strive to reach their full potential:

- *.1 Peer Support
- *.2 Recovery Support Coaching
- *.3 Recovery Support Center Services
- *.4 Supports for Self Directed Care

Other Support Services - Costs associated with providing unique services for persons with mental health issues:

- *.1 Personal Care
- *.2 Respite
- *.3 Supported Education
- *.4 Transportation
- *.5 Assisted Living Services
- *.6 Recreational Services
- *.7 Trained Behavioral Health Interpreters
- *.8 Interactive Communication Technology Devices

Intensive Support Services - Costs associated with providing intensive, therapeutic, coordinated and structured support services to help stabilize and support persons with mental illness:

- *.1 Partial Hospital
- *.2 Assertive Community Treatment
- *.3 Intensive Home Based Services
- *.4 Multi-systemic Therapy
- *.5 Intensive Case Management

Out of Home Residential Services - Costs associated with providing out of home stabilization and/or residential services in a safe and stable environment for persons with mental health issues:

- *.1 Crisis Residential/Stabilization
- *.2 Adult Mental Health Residential
- *.3 Children's Residential Mental Health Services
- *.4 Therapeutic Foster Care

Acute Intensive Services - Costs associated with providing acute intensive services requiring immediate intervention for persons with apparent mental health issues:

- *.1 Mobile Crisis
- *.2 Peer Based Crisis Services
- *.3 Urgent Care
- *.4 23 Hr. Observation Bed
- *.5 24/7 Crisis Hotline Services

C. Reserves and Fund Balances Held at the RSN

Reserves and Fund Balances information presented in this supplement refers to the type of fund balances to be reported by RSNs to the Mental Health Program on a quarterly basis. RSNs should report their current fund balances at the final date of the reporting period to the Mental Health Program, using the categories listed below. For instructions and account definitions for BARS, please refer to the BARS manual issued by the State Auditor's Office. Reserves and fund balances amounts reported are those held at the RSN, not those held by providers. **Note: These are the balances in the account as of the last date of the reporting period, not just the change from one period to the next.**

Reserves and Fund Balances to be reported to the Mental Health Program include:

Operating Reserve – Funds designated from mental health revenue sources that are set aside into an operating reserve account by official action of the RSN governing body. Operating reserve funds may only be set aside to maintain adequate cash flow for the provision of mental health services.

Risk Reserve – Funds mandated to be designated from mental health premium payments (capitation payment) revenue sources that are set aside into a risk reserve account by official action of the RSN governing body. Risk reserve funds may only be set aside for use in the event costs of providing Medicaid services exceed the revenue the RSN receives.

Capital Reserve – Funds designated from mental health revenue sources that are set aside into a capital reserve account by official action of the RSN governing body. Capital reserve funds may only be set aside for the construction, purchase or remodel of a building or major asset.

Inpatient Reserve – Funds designated from mental health revenue sources to pay for future inpatient hospital claims.

Reserve for Encumbrances - Funds designated from mental health revenue resources that are legally restricted for specific purposes either through official action of the RSN governing body or legal commitments. At year-end, this account represents prior-year appropriation authority carried forward to the next year. Examples are outstanding purchase orders, and fund set aside pending litigation outcome, unspent proviso funds expected

to be paid back to MH.

Unobligated Mental Health Fund Balance – Funds designated from mental health revenue sources that have not been spent in the fiscal period they were received. These funds have not been set aside into a specific reserve account by official action of the RSN governing body, but they may be identified by the RSN for a specific use.

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